



The Conference Board

94105-5.80-u

Economic Road Maps 1984 Index

ECONOMIC ROAD MAPS INDEX BY SUBJECT

Agriculture		Housing	
Employment	1972-73	Starts	1978-79
Business Cycle		Income	
Employment	1978-79	Distribution	1976-77
GNP	1978-79	Family	1971
Industrial Production	1978-79	Farm	1982-83
Capacity Utilization		Level	1971
Manufacturing	1978-79	Median	1971
Consumer Price		Per Capita	1982-83
Change	1970	Pretax	1970, 1978-79
Index	1978-79	Regional	1982-83
Dollar		State	1982-83
Purchasing Power	1970	Women	1976-77
Earnings		Income Taxes	
Lifetime	1976-77	Corporate	1974-75
Mean	1976-77	Federal	1970, 1971, 1974-75
Regional	1982-83	State and Local	1970, 1971, 1974-75
Education		Inflation	
College Enrollment	1976-77	Measure	1970, 1978-79
Professional Degrees Conferred	1976-77	International	
Employment		Employment	1972-73
Diffusion	1976-77	Government Pay	1966-67
Government	1966-67	GNP	1972-73, 1986-87
International	1966-67, 1972-73	Labor Force	1972-73
Manufacturing	1972-73	Strike Activity	1984-85
Nonfarm	1978-79	Taxes	1986-87
Regional	1982-83	Unemployment	1972-73
Sex	1976-77	Labor Cost	
Type	1976-77	Per Hour	1974-75
Federal Government		Per Unit of Output	1974-75
Deficit	1978-79	Labor Force	
Employment	1966-67	Age	1968-69
Income Tax	1970, 1971	Marital Status	1976-77
Tax Revenues	1986-87	Participation Rate	1976-77
Wages and Salaries	1966-67, 1982-83	Sex	1968-69, 1976-77
GNP		Manufacturing	
Business Cycle	1978-79	Capacity Utilization	1978-79
Deflator	1978-79	Employment	1972-73
International	1972-73, 1986-87	Monetary Policy	
Per Capita	1986-87	Money Stock	1978-79
Real	1978-79	Treasury Bill Rate	1978-79
		Plant and Equipment	
		Orders	1978-79

Population

Age Structure	1972-73
Density	1968-69
Forecast	1968-69
International	1972-73
Participation Rate	1972-73
Regional	1968-69, 1982-83
State	1968-69

Productivity

Nonfinancial Corporations	1974-75
Output per Hour	1974-75

Profits

After-Tax	1974-75
Economic	1974-75
Illusory	1974-75
Pretax	1974-75, 1978-79
Retained	1974-75

Regional

Earnings	1982-83
Government Wages and Salaries	1982-83
Per Capita Income	1982-83
Population	1968-69
Voter Participation	1980-81

Social Security

International	1968-69
Taxes	1970, 1971

State and Local

Personal Income	1982-83
Taxes on Persons	1970, 1971
Wages and Salaries	1982-83

Strikes

Days Lost	1984-85
Number	1984-85

Taxes

Corporate	1974-75
Federal	1970, 1971, 1974-75
Illusory	1974-75
Social Security	1970, 1971
State and Local	1970, 1971, 1974-75

Unemployment

International	1972-73
Long Term	1972-73
Rate	1972-73, 1976-77, 1978-79
Youth	1972-73

Unions

Membership	1984-85
------------------	---------

Voting

Congressional	1980-81
Participation	1980-81
Presidential Elections	1980-81
Spending	1980-81

Wages

Settlements	1984-85
-------------------	---------

Women

Divorce	1976-77
Education	1976-77
Employment	1976-77
Income	1976-77
Labor Force	1976-77
Life Expectancy	1976-77
Poverty	1976-77
Unemployment	1976-77

NUMERICAL INDEX

1966-1967	Government Employment and Pay: An International Survey	1974-1975	Profit Trends, 1984
1968-1969	Population Growth and Migration	1976-1977	Women: A Progress Report
1970	The Two-Way Squeeze, 1984	1978-1979	Perspective on the Economic Expansion
1971	Incomes and Taxes	1980-1981	Who Votes and How Much Does it Cost?
1972-1973	Employment and Unemployment in Industrial Countries	1982-1983	Regional and State Personal Income
		1984-1985	Post-World War II Trends in Strike Activity
		1986-1987	Taxes in Industrial Countries

This series of charts is one of many prepared by The Conference Board. Further information about the Board and its research in business economics, business practices, public affairs, and personnel administration is available on request from:

INFORMATION SERVICE

Prices for quantities of these charts will be supplied upon request.

ECONOMIC ROAD MAPS

Eva Culen, Editor

Chuck N. Tow, Chief Chartist

Prepared in The Business Conditions Analysis Department—Lora S. Collins, Director

The Conference Board, Inc.

845 Third Avenue, New York, N.Y. 10022
(212) 759-0900 Telex 234465 and 237282

The Conference Board of Canada

25 McArthur Road
Ottawa, Ontario, K1L-6R3, Canada
(613) 746-1261

The Conference Board, Inc.

Avenue Louise, 207 Bte 5
B-1050 Brussels, Belgium
(02) 640 62 40 Telex 63635



The Two-Way Squeeze, 1985

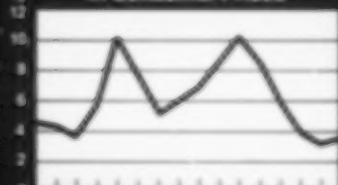
Economic Road Maps
No. 1982

April 1985

The rate of inflation in the United States has deteriorated sharply during the past 5 years; nevertheless the purchasing power of a dollar's worth of income will amount this year to only 40.6% of its 1970 purchasing power (see charts below at left). A lower-moderate income family which had a pretax \$10,000 income in

1970—about the median then—needs \$25,450 in 1985 to maintain its 1970 real after-tax purchasing power. Most of the increase is needed to cover inflation since 1970; almost a quarter is needed to offset higher taxes, principally higher social security taxes. Details of the "two-way squeeze" of inflation and taxes are on page 2.

Year-to-Year Percent Change in Consumer Prices



Purchasing Power of a Dollar



Prices measured by deflator for personal consumption expenditures. Increase of 33% assumed for 1985.

Tax Situation of Families at Five Hypothetical 1970 Income Levels

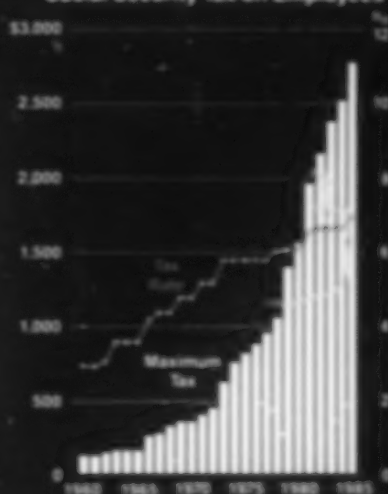
Federal Income Tax Bracket Rate



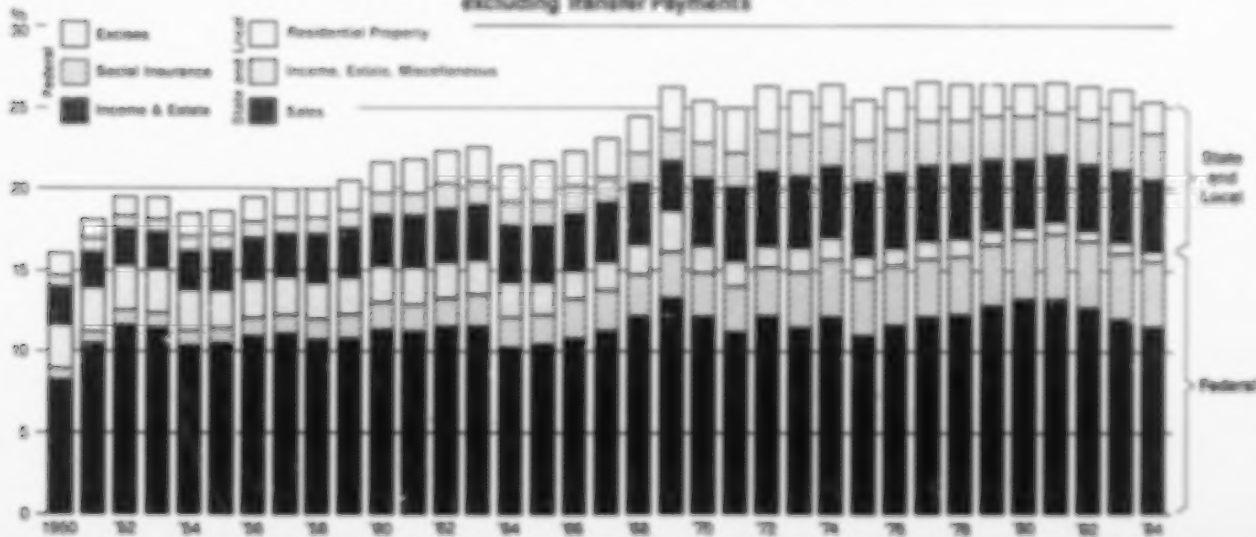
Total Federal Income and Social Security Taxes as Percent of Total Income



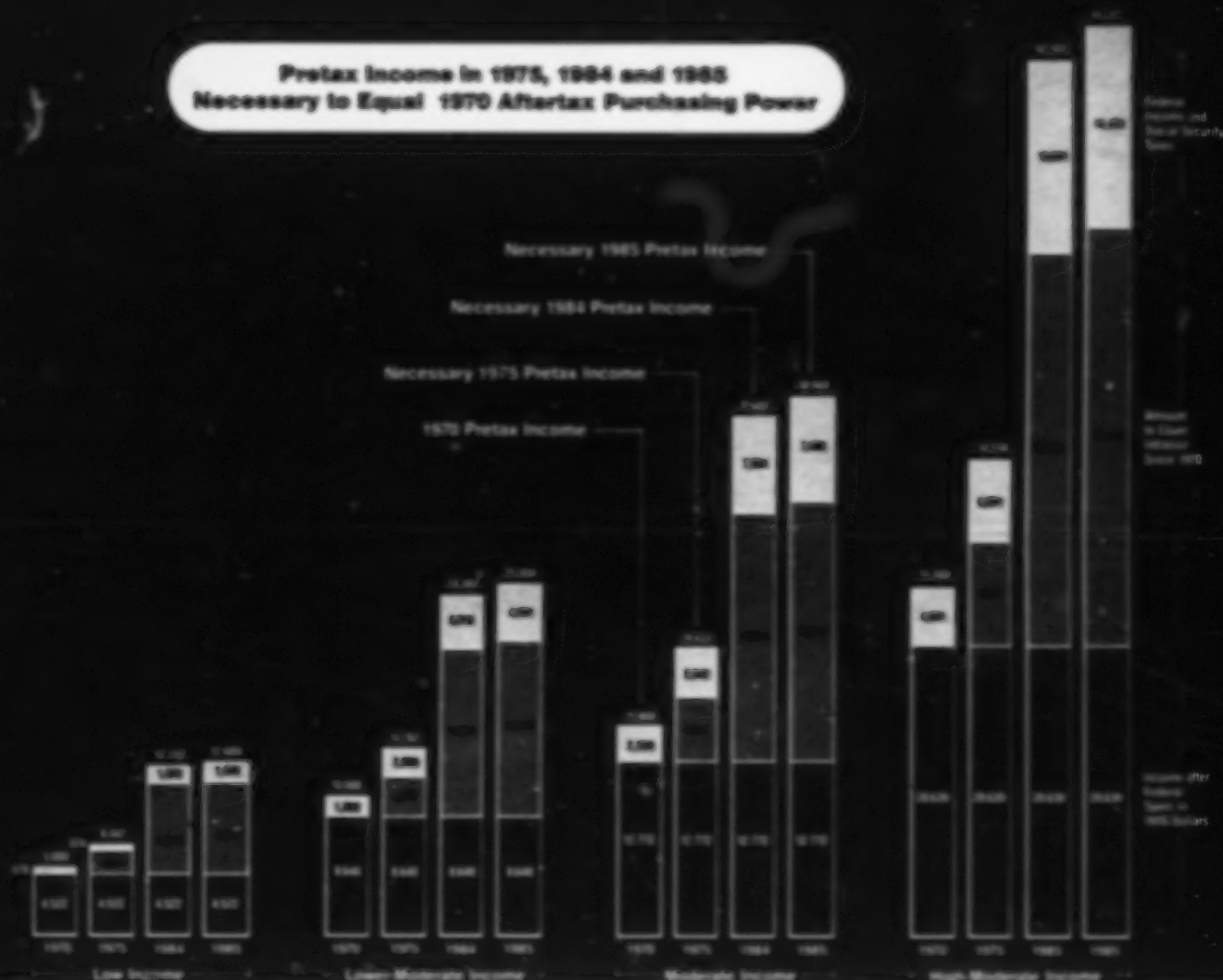
Social Security Tax on Employees



Taxes on Persons as Percent of Pretax Personal Income excluding Transfer Payments



**Pretax Income in 1975, 1984 and 1985
Necessary to Equal 1970 Aftertax Purchasing Power**



1970 PRETAX INCOME	\$ 5,000	\$10,000	\$15,000	\$25,000	\$ 50,000
Less: Federal income tax	230	580	1,054	3,987	11,982
Less: Social security tax	240	374	374	374	374
Equals: Income after federal taxes	4,522	8,640	12,772	20,639	37,644
1970 NECESSARY PRETAX INCOME	6,447	10,767	16,800	24,628	39,960
Less: Federal income tax	-80	1,380	2,517	5,790	16,587
Less: Social security tax	377	580	625	625	625
Less: Amount to cover inflation since 1970	1,891	3,089	4,321	7,389	15,389
Equals: Income after federal taxes, in 1970 dollars	4,522	8,640	12,772	20,639	37,644
1984 NECESSARY PRETAX INCOME	12,132	24,482	37,682	62,822	123,838
Less: Federal income tax	557	2,270	4,685	11,268	31,712
Less: Social security tax	513	1,640	2,319	2,530	2,530
Less: Amount to cover inflation since 1970	5,240	11,324	17,626	29,462	51,940
Equals: Income after federal taxes, in 1970 dollars	4,522	8,640	12,772	20,639	37,644
1985 NECESSARY PRETAX INCOME	12,960	26,460	39,960	66,367	126,367
Less: Federal income tax	591	3,357	4,760	11,881	30,080
Less: Social security tax	599	1,794	2,747	2,747	2,747
Less: Amount to cover inflation since 1970	6,217	12,840	18,880	29,215	55,111
Equals: Income after federal taxes, in 1970 dollars	4,522	8,640	12,772	20,639	37,644

Federal income and social security taxes are computed for a married couple, only one of whom works, with two children. No allowance is made for any other taxes. Calculations use the tax laws in effect each year. Deductible items are assumed to equal 17% of pretax income in 1970, 20% in other years. For calculating maximum tax and earned income credit, all income is assumed to be earned, personal service income. Inflation is calculated from the deflator for personal consumption spending, with a 3.3% rise assumed from 1984 to 1985.

Sources: Bureau of Economic Analysis; Internal Revenue Service; The Conference Board

Lora S. Collins

ECONOMIC ROAD MAPS

Eve Cohen, Editor

Chuck N. Tow, Chief Chronicler

Prices for quantities of this chart will be supplied on request to Information Service.

Published by

THE CONFERENCE BOARD, INC.

845 Third Avenue, New York, N.Y. 10022 Avenue Louise, 207 Box 1 B-1070 Brussels, Belgium

THE CONFERENCE BOARD OF CANADA

27 McArthur Road, Ottawa, Ontario K1L 6R3, Canada



Trouble in the Farm Business

Economic Road Maps

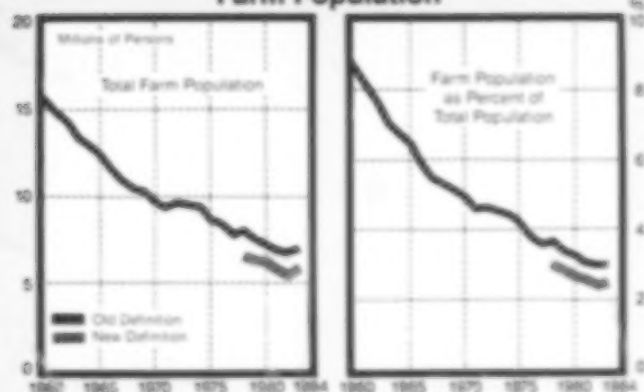
Nos. 1993-1994

May, 1985

Many American farmers are suffering serious financial distress. Balance sheets and income levels have deteriorated sharply in recent years, and may yet worsen. Of course, erratic weather and unpredictable growing conditions have always made farming a relatively high-

risk occupation. Lately, however, ordinary pressure has been intensified—by low crop prices relative to the general price level, by high real (inflation-adjusted) interest rates, by falling land values, and by the strength of the dollar internationally, which has helped depress

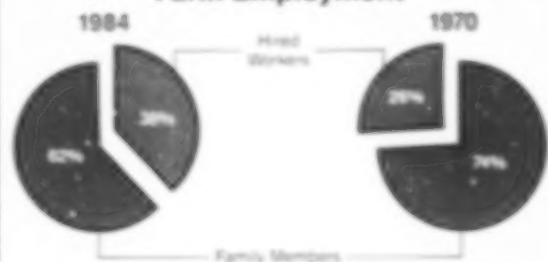
Farm Population



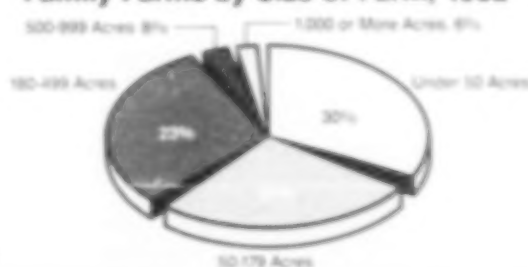
export demand. The results have been alarming debt/asset ratios and sliding real, per capita farm income, lower now than since the 1960's. Moreover, benefits to farmers from direct government support are likely to be reduced under the comprehensive farm program expected to be passed this year. These charts provide background on the origin and scope of the present problem.

Ironically, today's stresses have their roots in the good times of the 1970's. Then, farm prices rose faster than other prices.

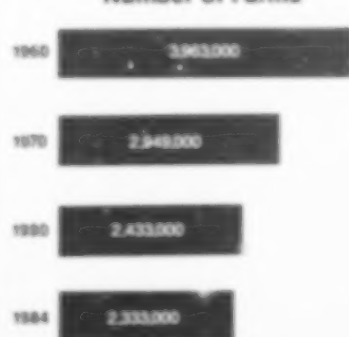
Farm Employment



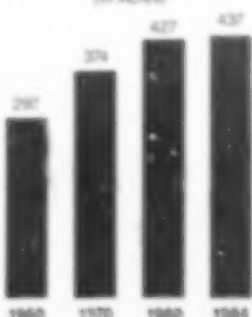
Family Farms by Size of Farm, 1982



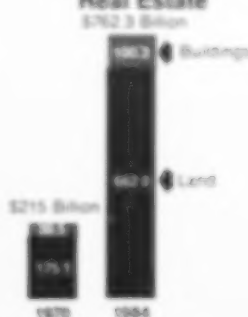
Number of Farms



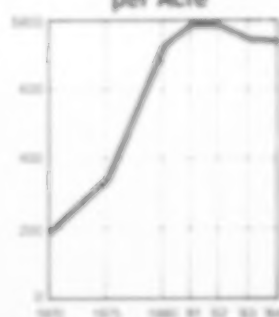
Average Size of Farm (in Acres)



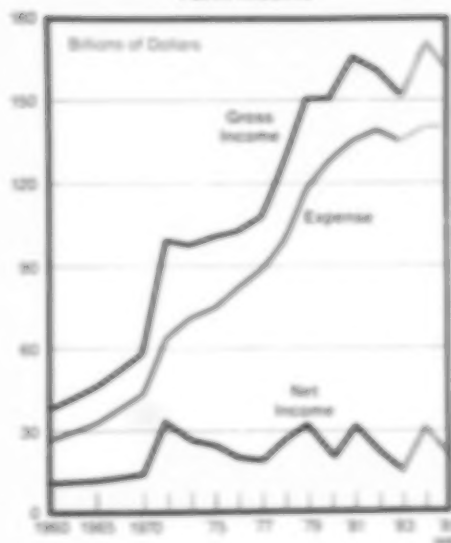
Value of Farm Real Estate



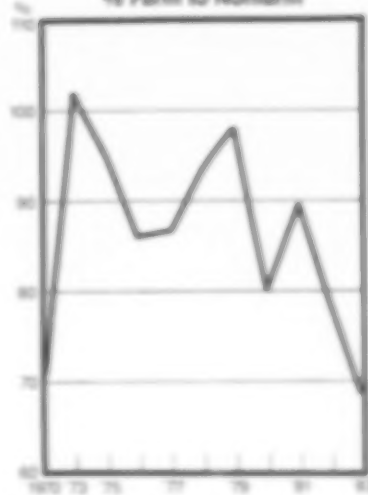
Average Value per Acre



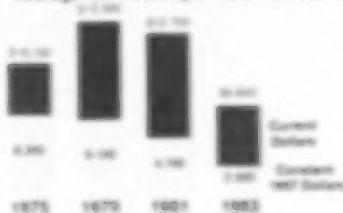
Farm Income



Per Capita Disposable Personal Income % Farm to Nonfarm

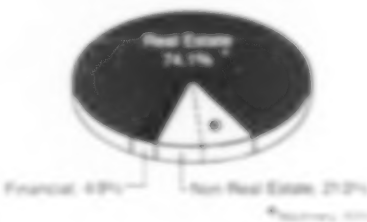


Average Net Income per Farm from Farming

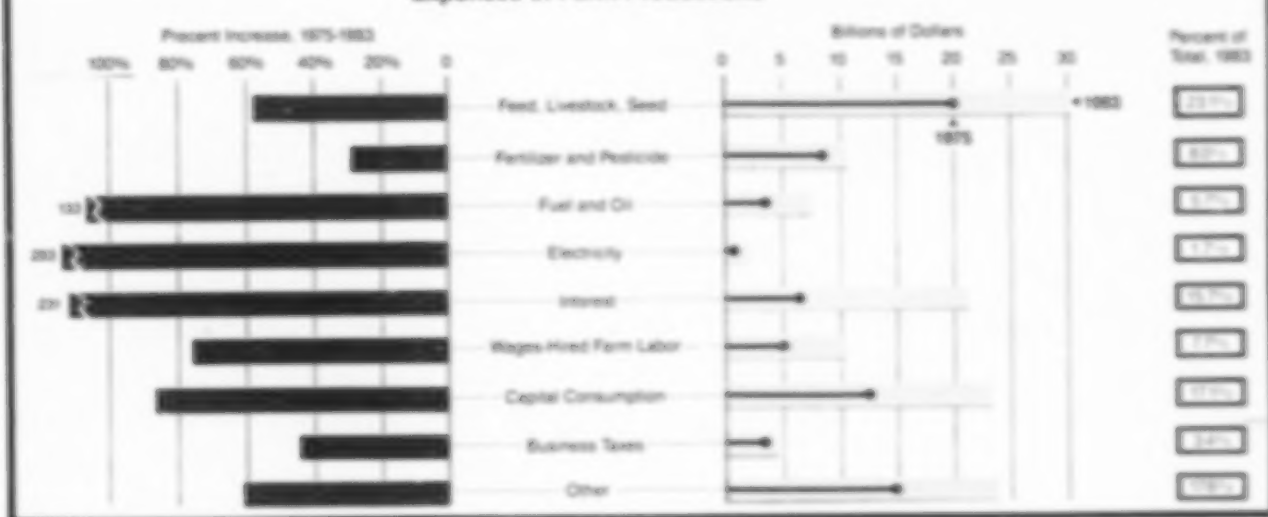


Farm Assets, 1984

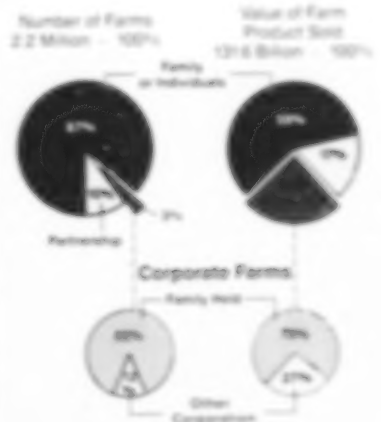
\$1,221.1 Billion - 100%



Expenses of Farm Productions



Farming by Type of Ownership 1982

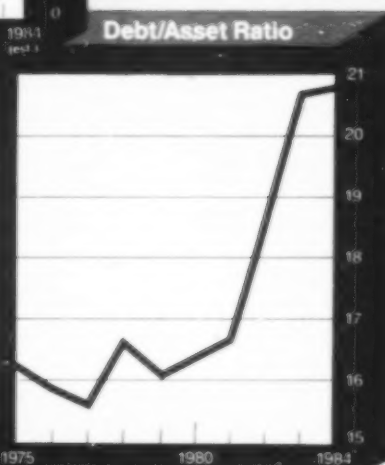
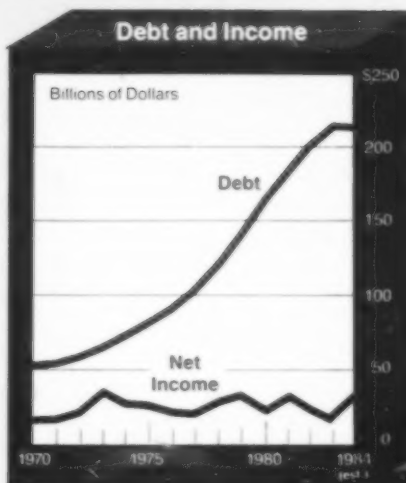
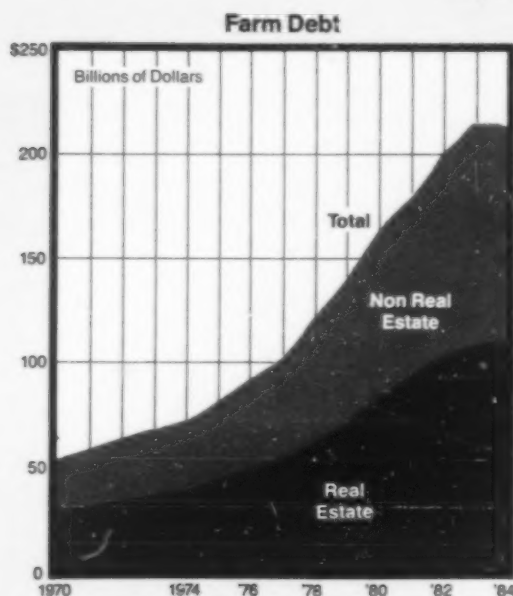


Farmers & Farm Income, 1983 By Category

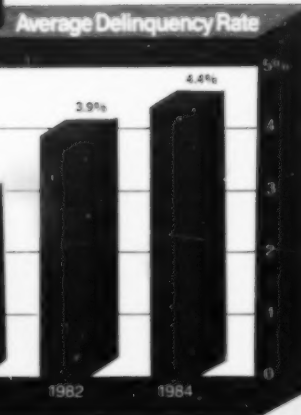
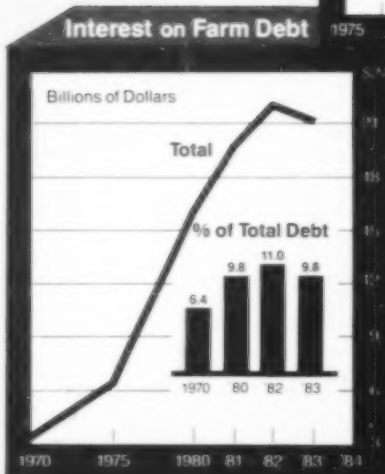


Higher crop prices, strong domestic demand and a surge in exports boosted farm income sharply in the early 1970's and again during the economic expansion in the second half of the decade. The future looked promising too. Their rising incomes and land values—together with low, or negative, real interest rates—allowed farmers to increase acreage and output by borrowing heavily. Farm debt climbed an average 10% annually during the 1970's. To be sure, farm costs rose strongly too, especially for fuel and fertilizer. But strong sales growth created the confidence that increases in income would easily cover production costs and debt service.

Farm Debt



Demand and supply conditions changed dramatically in the 1980's. Worldwide recession, followed by a strong dollar, weakened foreign demand. The spread between the interest rate and the inflation rate widened enormously. Crop prices weakened. Farm income fell. Land values contracted. The burden of farm debt became more and more pronounced. The debt/asset ratio, just under 16 in 1975 and still just below 17 in 1981, climbed to 21 in 1984.



Farm Debt Outstanding By Type of Lender

• Real Estate

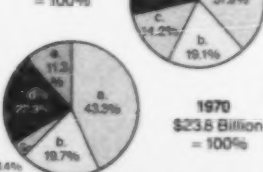
1984
\$111.6 Billion
= 100%



a. Federal Land Banks
b. Life Insurance Companies
c. Commercial & Savings Banks
d. Farmers Home Administration
e. Individuals & Others

• Non Real Estate

1984
\$103.0 Billion
= 100%

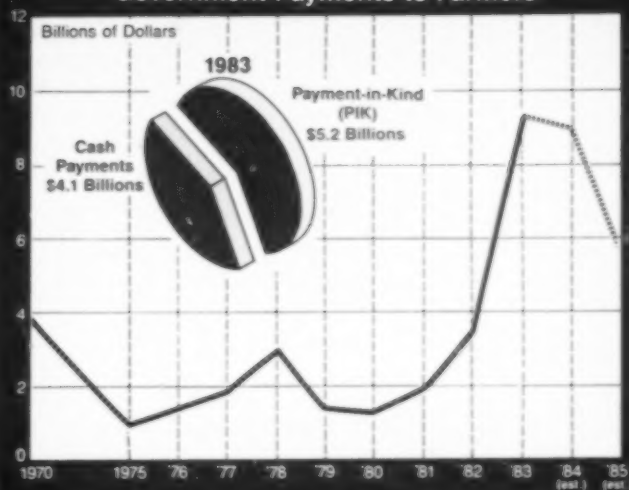


a. Commercial & Savings Banks
b. Production Credit Associations
c. Farmers Home Administration
d. Individuals & Others
e. Commodity Credit Corporation

1970
\$29.2 Billion
= 100%



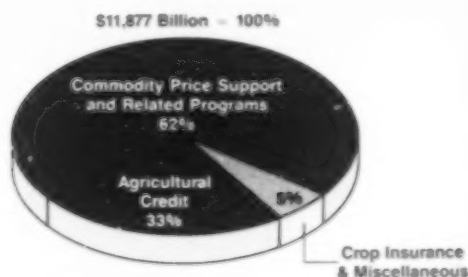
Government Payments to Farmers



Average Payment per Farm by Value of Sales

Farms with Sales:	Average Payment
Less than \$2,500	\$ 257
\$ 2,500 - \$ 4,999	\$ 547
\$ 5,000 - \$ 9,999	\$ 1,146
\$ 10,000 - \$ 19,999	\$ 1,437
\$ 20,000 - \$ 39,999	\$ 3,626
\$ 40,000 - \$ 99,999	\$ 8,143
\$100,000 - \$199,999	\$11,837
\$200,000 - \$499,999	\$16,798
\$500,000 & Over	\$26,805

Government Farm Income Stabilization Programs 1984

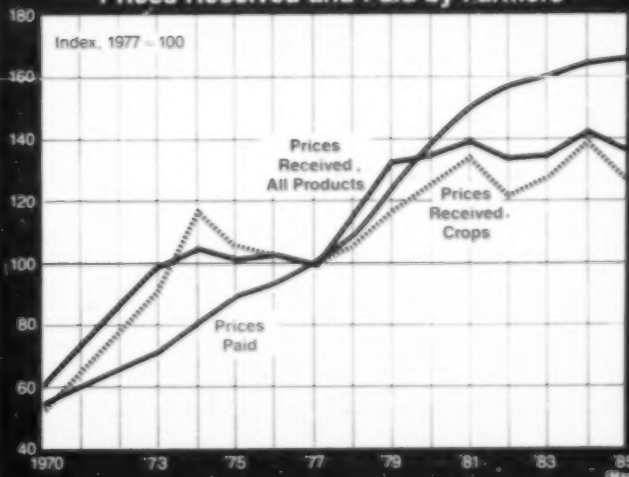


Note: In addition to the \$11.9 Billion, \$1.7 Billion is spent on agricultural research.

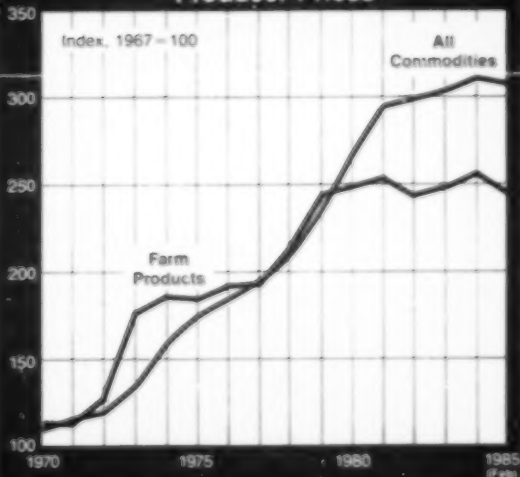
Prospects for farmers are not encouraging. For one thing, government support levels are being scaled back. Higher domestic sales of farm products probably cannot generate enough revenue to relieve financial distress on the farm significantly. Higher crop prices, lower interest rates and a lower dollar in world markets could begin to resolve some of the problems.

Sources: U.S. Departments of Agriculture, Commerce and Labor; Office of Management and Budget; American Bankers Assn.; The Conference Board.

Prices Received and Paid by Farmers



Producer Prices



ECONOMIC ROAD MAPS

Eva Cullen, Editor

Chuck N. Tow, Chief Chartist

Prices for Quantities of this chart will be supplied on request to Information Service.

Published by

THE CONFERENCE BOARD, INC.

845 Third Avenue, New York, N.Y. 10022 Avenue Louise, 207 Bie 5 B-1050 Brussels, Belgium

THE CONFERENCE BOARD OF CANADA

25 McArthur Road, Ottawa, Ontario K1L 6R3, Canada



International Dimensions of the Farm Business

Economic Road Maps
Nos. 1995-1996

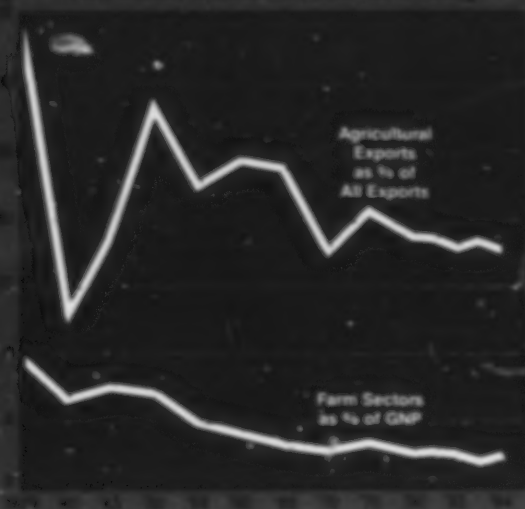
June, 1985

To prosper, U.S. farmers must be able to compete on world markets. This dependency is especially acute now. While exports of farm products rose spectacularly during the 1970's, lately they have been dropping off. At a time when domestic farm business is under stress (see

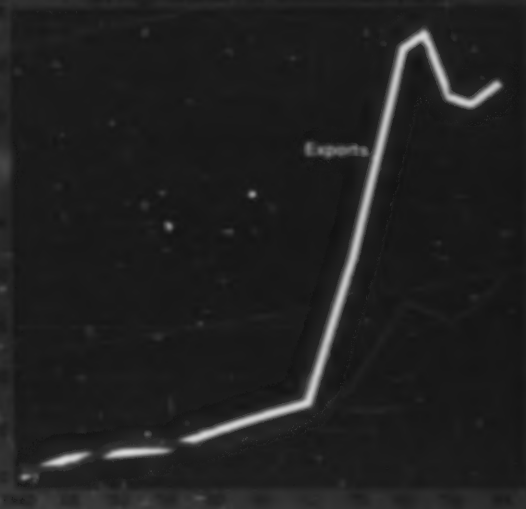
Road Map No. 1993-1994), maintaining and expanding agricultural exports has taken on additional urgency.

True, exports of agricultural commodities will exceed imports, which helps offset the huge trade deficits in other products. But the combination of weak growth in foreign

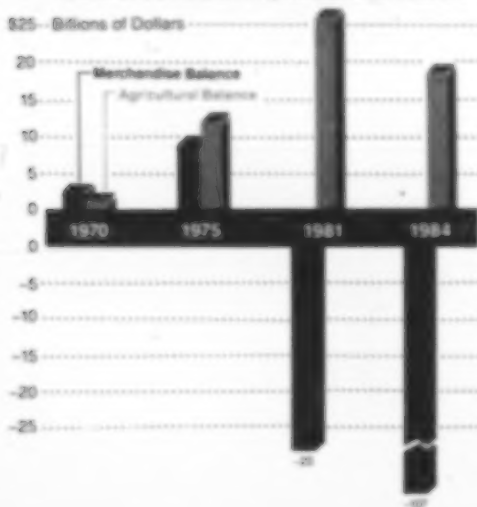
The Farm Sector in the Economy



U.S. Exports and Imports of Agricultural Commodities



U.S. Merchandise Trade Balance

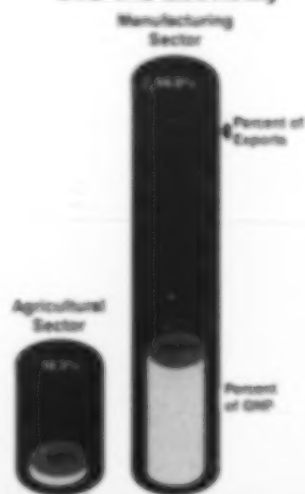


economies and rising international competition has reduced the agricultural surplus from a high of \$26.6 billion in 1981 to only \$18.4 billion in 1984.

The developed countries are the world's major producers and exporters of agricultural commodities, while the developing countries, especially in Africa and the Middle East, remain net importers. Disappointing agricultural output has kept centrally planned economies as chronic importers of food.

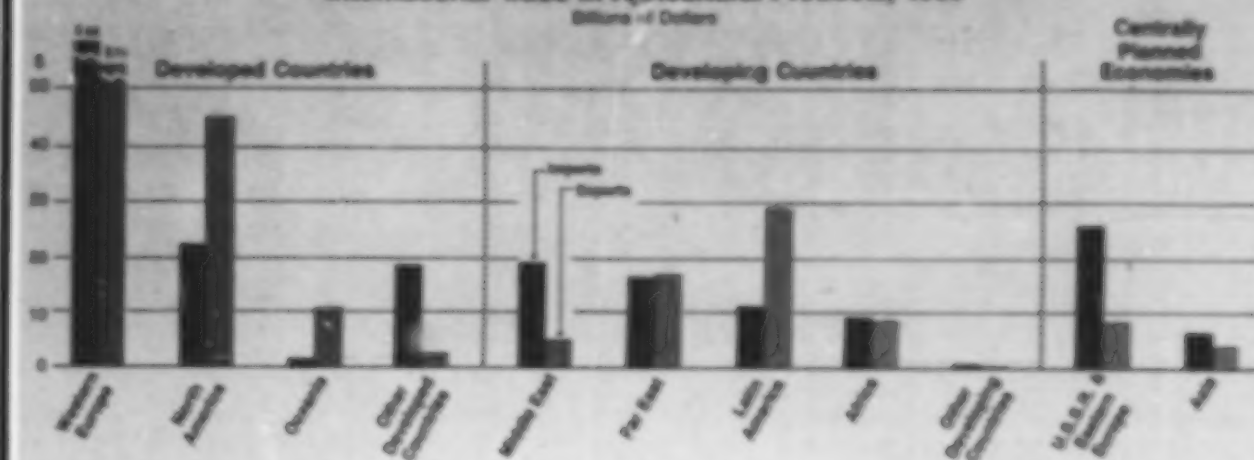
This pattern comes through most clearly in world grain trade. For U.S. farmers, constrained income growth reflects the cyclical forces that influence world agricultural

Agriculture, Manufacturing and the Economy



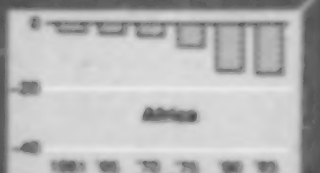
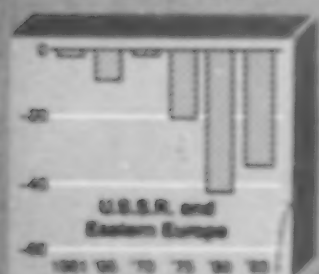
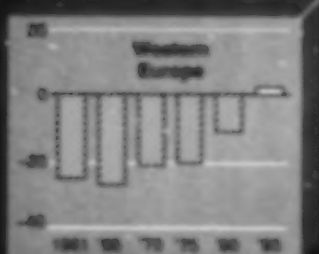
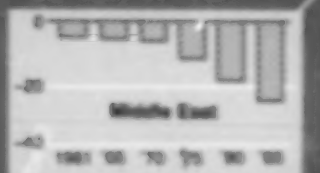
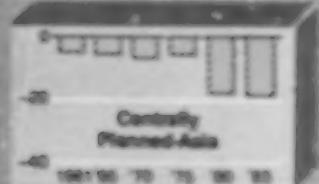
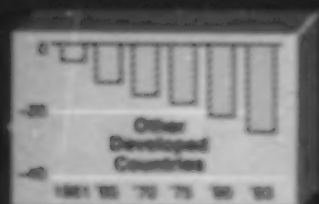
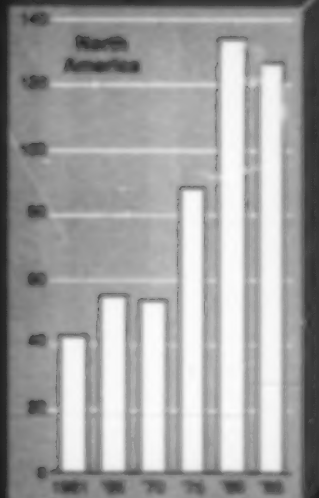
International Trade in Agricultural Products, 1963

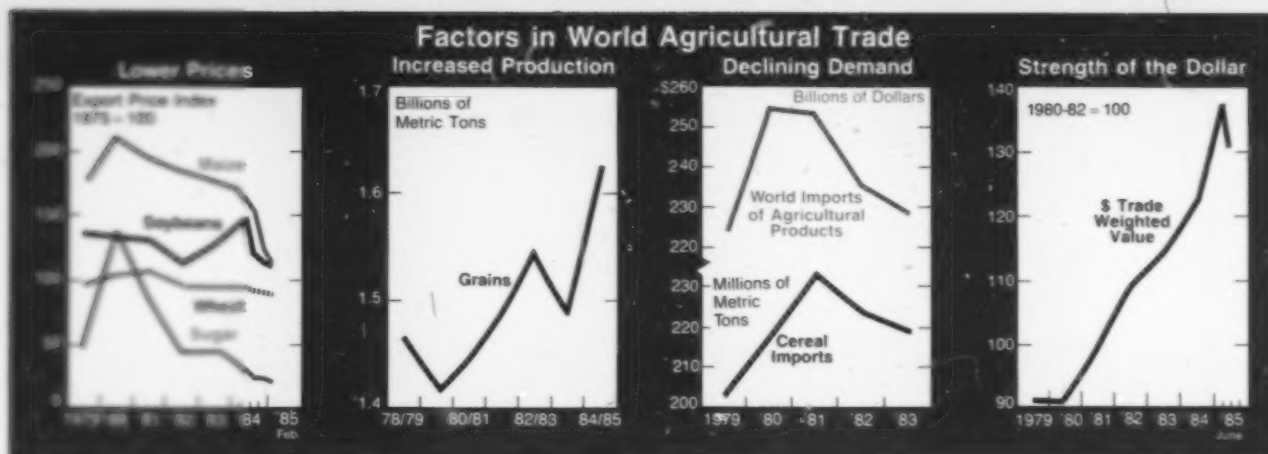
Billions of Dollars



Cereal Trade in World Markets

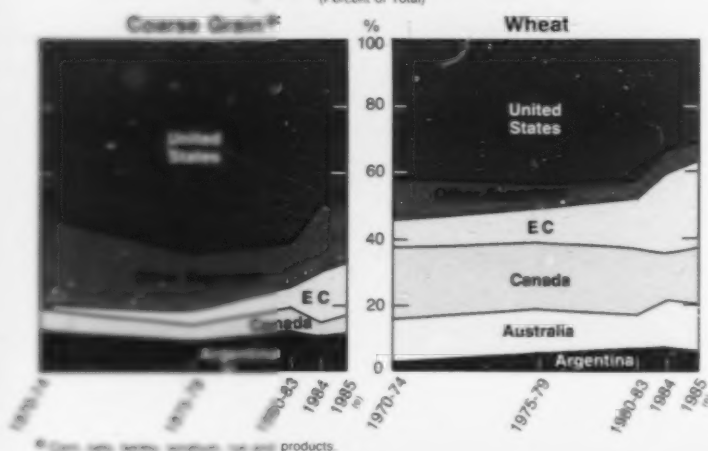
Millions of Metric Tons





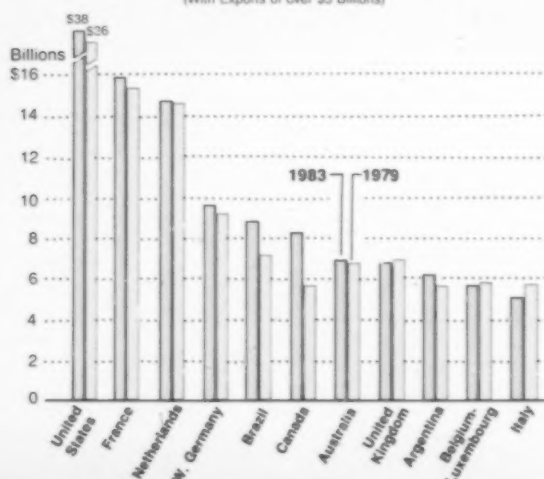
World Trade In:

(Percent of Total)



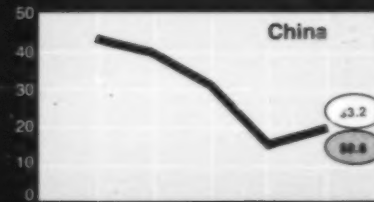
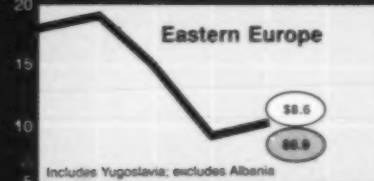
World's Largest Agricultural Exporters

(With Exports of over \$5 Billions)



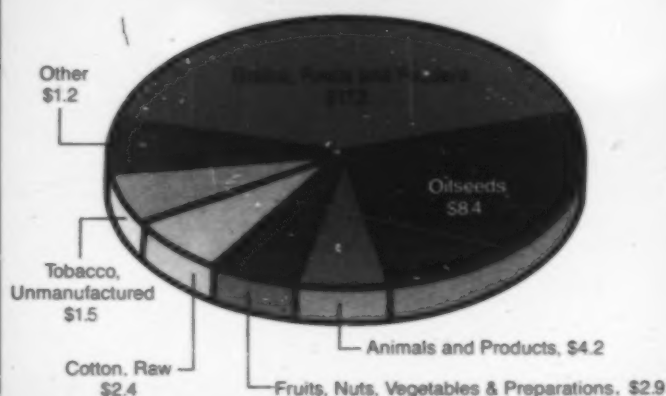
U.S. Share of Selected Regions' Agricultural Imports

Legend:
 (Solid line) Total Agricultural Imports
 (Dashed line) Imports from U.S.



■ By Category

\$37.6 Billion = 100%



markets. Bumper crops, rising output in producing countries, higher than desirable inventory and the dollar's continued strength against other currencies has tended to lower both agricultural prices and sales volume. Lower prices failed to produce additional sales because of the strength of the dollar, in which many commodities are priced. As a result, some countries' import bills actually rose in terms of their domestic currencies.

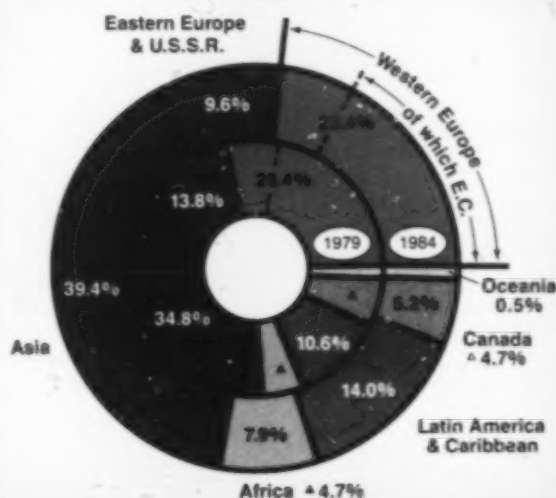
Data is only now becoming available showing the true extent of tightened competitive conditions.

The U.S. is the world's largest exporter of agricultural products, selling some \$38 billion in world markets, about twice as much as the nearest competitor, France. However, the U.S. share of the world wheat exports for instance, declined from

■ By Major Customer



■ By Region



an average of 44% during 1975-1979 to an estimated 32% in 1985. For coarse grains the drop was even greater, from 64% to 40%.

Sources: U.S. Departments of Agriculture and Commerce; United Nations; Morgan Guaranty Trust Company; The Conference Board.

ECONOMIC ROAD MAPS

Eva Culen, Editor

Chuck N. Tow, Chief Chartist

Prices for Quantities of this chart will be supplied on request to Information Service.

Published by

THE CONFERENCE BOARD, INC.

845 Third Avenue, New York, N.Y. 10022 Avenue Louise, 207 Bte 5 B-1050 Brussels, Belgium

THE CONFERENCE BOARD OF CANADA

25 McArthur Road, Ottawa, Ontario K1J 6R3, Canada



The over 50 Generation

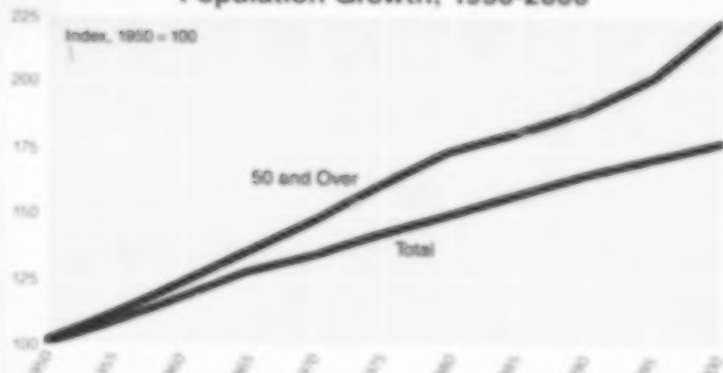
Economic Road Maps
Nos. 1997-1998

October, 1985

Imperceptibly, the U.S. population has aged in the past three decades; growth in the over-50 age group has outstripped that of the population as a whole. That gap will widen further in the near future. In most respects, the older persons, including the retired, are better off today

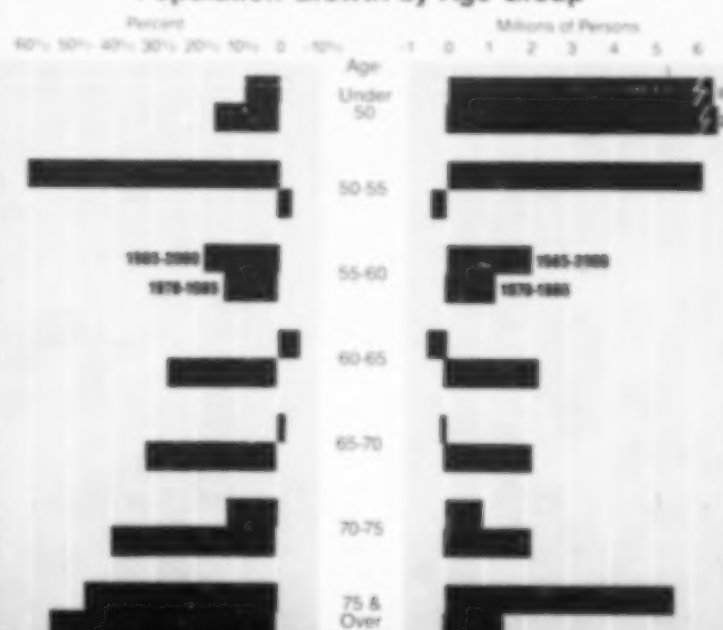
than at any time before. They live longer and healthier lives, and, in economic terms, they command considerable resources. Average financial assets and net worth, as well as household income of the elderly is substantially higher than that of the younger population.

Population Growth, 1950-2000

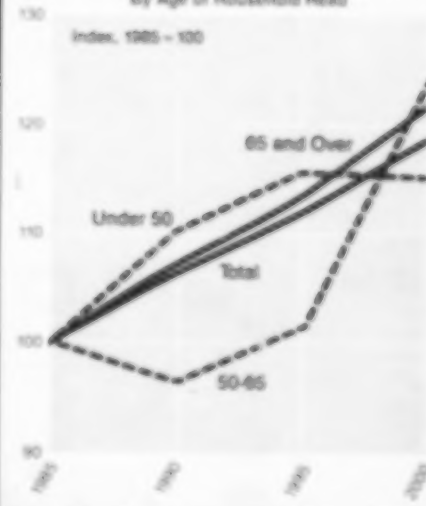


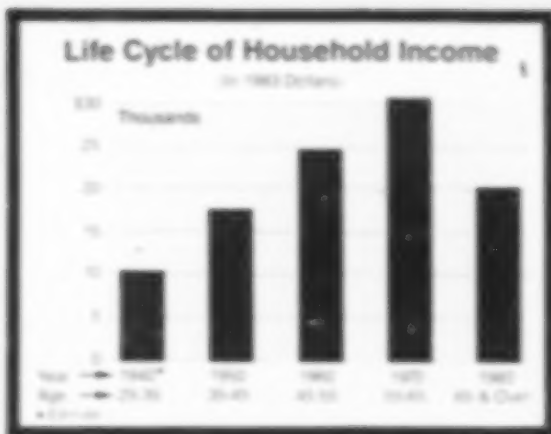
Information for this Road Map was derived from a Conference Board study, "2000: Life and Beyond," published in cooperation with the U.S. Census Bureau. The study projects that the over-50 age group will grow from 24% of the population in 1970, to 30% in 1985 and will jump to 34% by 2000. Growth within this group varies considerably. Most of the increase is due to the increase in the number of persons over the age of 65. Persons over 65 will increase by slightly more than 14 million. More than 8 million in the 50-64 age group, about 3% of the total population, will increase by 14 million in the 65-74 age group. It is significant that the largest increase will occur in the non-retirement age population.

Population Growth by Age Group



Household Growth
By Age of Household Head



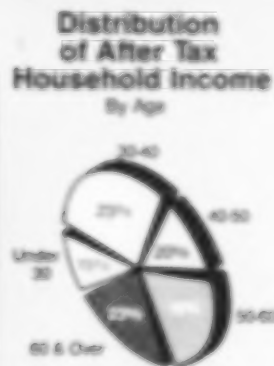
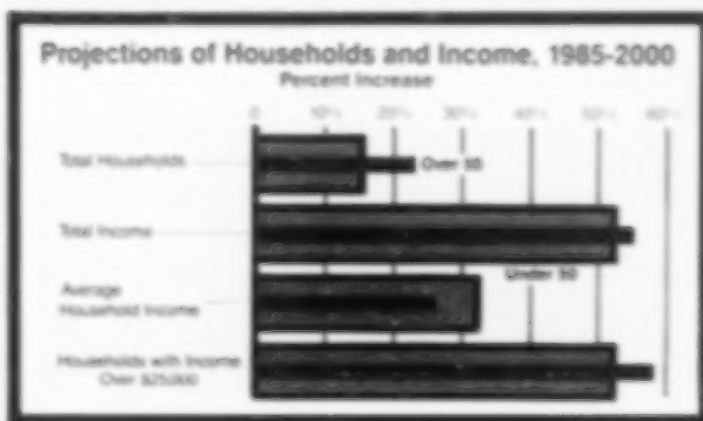


to decline in later years, and consists primarily of adults. Average income distorts the picture by understating the well-being of the elderly and overstating that of those in the middle years, when the family is at maximum size.

Per capita income peaks in the 55-60 age group, and continues to run well above average for many years after that. Households aged 65-75 have more income per person than those under 50. Thus actual economic well-being falls somewhere between average household income and per capita income.

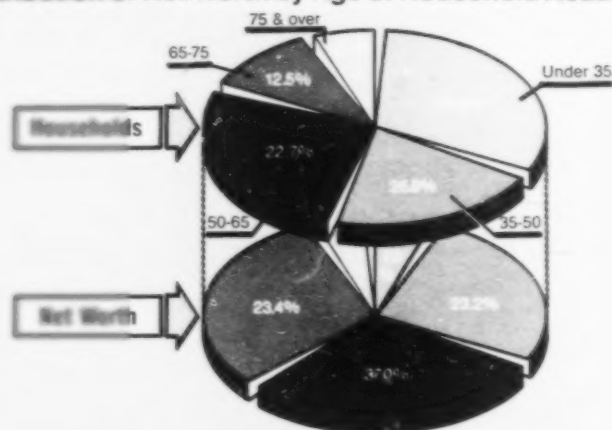
A considerable proportion of the older population is economically comfortable. Earnings increase with age up to the mid-fifties and continue quite high through 65. Compared with the under-35 age group, the 50 to 60 age group is considerably better off, and only with retirement, after 65, does income decline substantially.

But average earnings alone are not sufficient to determine how well off a household is. The size of household or number of persons to be supported on a given income is also very important. Thus the younger household is apt to be larger, containing a number of children; whereas the size of household tends



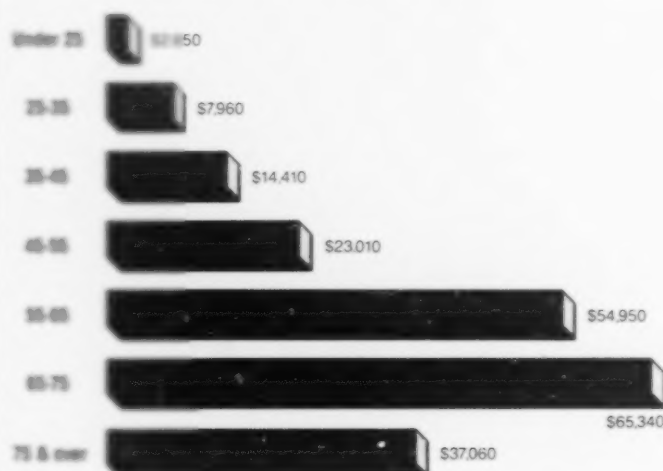
Note: All household figures are for 1984 and income figures for 1983.

Distribution of Net Worth by Age of Household Head



Financial Assets

By Age of Household Head, 1983



Another criterion in assessing the circumstances of an older household is a comparison of its present income to that of earlier years. Life-cycle income statistics indicate that while today's elderly families have less real income than they had in their peak earning years immediately preceding retirement, their present income actually exceeds what they had up to and through their middle years.

Older households account for a disproportionately large share of total discretionary spending power. (Discretionary income is defined as income beyond what is needed to maintain a reasonably comfortable standard of living.) This adds up to \$130 billion of

discretionary spending power available to households over 50 and represents half of total discretionary income.

About 90% of all U.S. households have some financial assets. The average value of such holdings is quite modest for those under age 50, but increases substantially as one moves into the more mature age segment of the population.

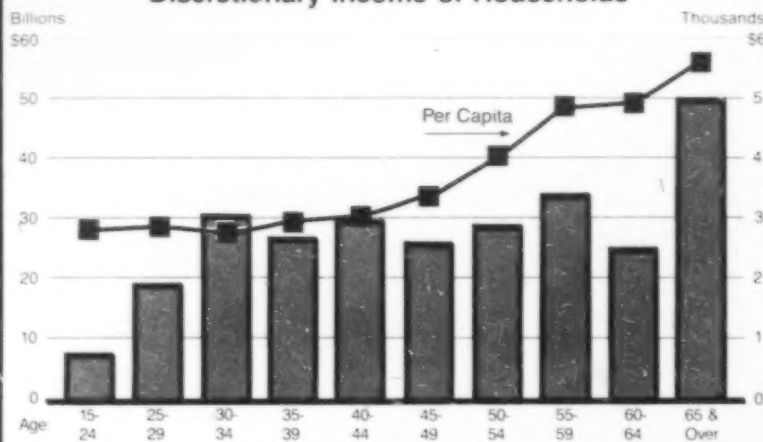
Probably the most telling indicator of a household's economic well-being is its aggregate wealth or net worth—the difference between gross assets and liabilities. Included in this accounting are all financial holdings, equity in the home and—on the other side of the balance sheet—all financial obligations and debts. Again, in terms of net worth the relatively older population fares extremely well. Net worth increases with the years; evidently with time families have more opportunity to acquire wealth. When the typical household reaches the mid-fifties age group, its average net worth holdings are estimated to be about \$100,000. This increases to a peak level of \$125,000 for those 65-75 and then drops substantially for those 75 and over.

Older persons have a disproportionately large share of the total net worth of the nation's households—specifically, almost 70% is accounted for by those over 50. The average net worth holdings of those over 50 is some five times larger than that of those who have not yet reached that age.

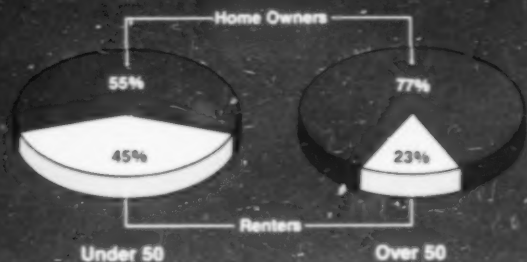
A very high proportion of the elderly are home owners. Some 77% of households over 50 own their homes. This translates into a considerable net equity for the elderly, because most of their mortgages have been paid off.

In addition to personal savings and other sources of income, social security programs for the elderly have expanded to the point where

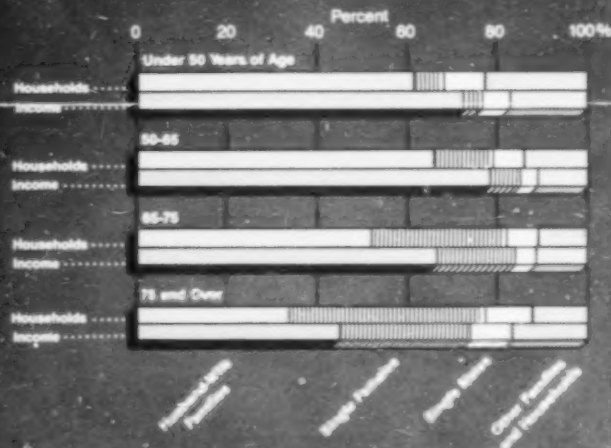
Discretionary Income of Households



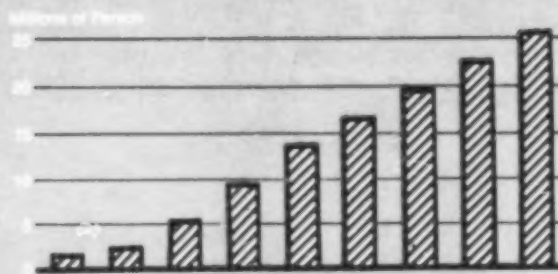
Home Ownership By Age



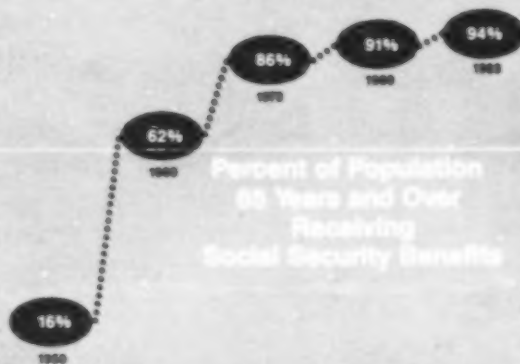
Income by Type of Household



Persons Eligible for Social Security Benefits (Age 62 and Over)



Percent of Population 65 Years and Over Receiving Social Security Benefits



Taxpayers' Sources of Income

Age 65 and Over

\$267 Billion = 100%

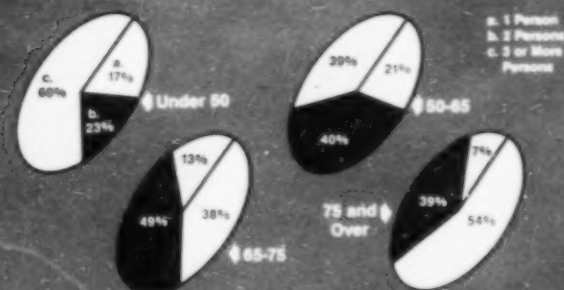


they now reach the great majority of the population over 65. From around 2 million persons in 1949, the number of social security recipients rose to over 25 million in 1984. At the same time, average monthly benefits have risen faster than living costs. In addition, over 50% of the labor force is covered under other pension plans today, compared with 25% in the early 1950's.

Thus, the widespread view of the older population as being greatly distressed in economic terms is a myth, although of course, there are still too many severely disadvantaged individuals and families among the elderly.

Sources: The Conference Board, *Middle and Beyond*, Social Security Administration.

Size of Households By Age



ECONOMIC ROAD MAPS

Eva Culen, Editor
Prices for Quantities of this chart will be supplied on request to Information Service.

Chuck N. Tow, Chief Chartist

Published by

THE CONFERENCE BOARD, INC.

845 Third Avenue, New York, N.Y. 10022 Avenue Louise, 207 Bte 5 B-1050 Brussels, Belgium

THE CONFERENCE BOARD OF CANADA

25 McArthur Road, Ottawa, Ontario K1L 6R3, Canada